

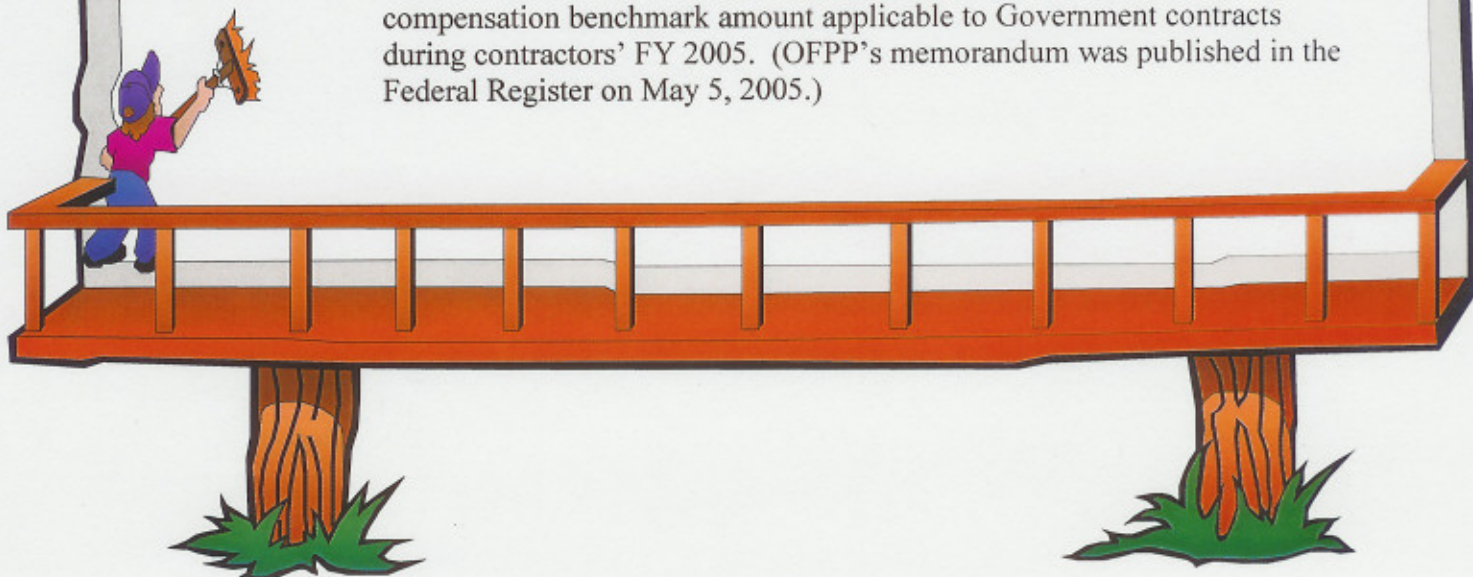
HEADQUARTERS POLICY FLASH

POLICY FLASH 2005-31

DATE: May 5, 2005
TO: Procurement Directors
FROM: Office of Procurement and Assistance Policy, ME-61
Office of Procurement and Assistance Management

SUBJECT: **Office of Federal Procurement Policy (OFPP) Determination of Executive Compensation Benchmark Amount for Costs Allowable Under Government Contracts during Contractors' Fiscal Year (FY) 2005**

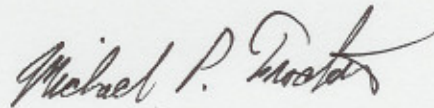
SUMMARY: This Flash provides notice of OFPP's determination of the executive compensation benchmark amount applicable to Government contracts during contractors' FY 2005. (OFPP's memorandum was published in the Federal Register on May 5, 2005.)



OFPP has determined the "benchmark compensation amount" as required by Section 39 of the Office of Federal Procurement Policy Act (OFPP) Act (41 U.S.C. 435), as amended. The amount is \$473,318. It applies to contractors' FY 2005 (and subsequent years, unless revised by OFPP).

Department of Energy Acquisition Regulation (DEAR) 970.3102-05-6, "Compensation for personal services," states that costs incurred for compensation of a senior executive in excess of the benchmark compensation amount determined applicable for the contractor fiscal year by the Administrator, Office of Federal Procurement Policy, are unallowable.

Questions should be directed to Michael Righi at Michael.Righi@hq.doe.gov or 202-287-1337.

A handwritten signature in black ink, appearing to read "Michael P. Fischetti". The signature is fluid and cursive, with a large, stylized initial "M".

Michael P. Fischetti
Acting Director
Office of Procurement and
Assistance Policy, OMBE